

MINUTES
BOARD OF TRUSTEES MEETING
Montana Historical Society, Helena, Montana
Thursday, January 26, 2006

In attendance were Montana Historical Society Board of Trustees members Judy Cole, Jim Court, Shirley Groff, Bill Holt, Kent Kleinkopf, Katherine Lee, Jack Lepley, Sharon Lincoln, Steve Lozar, Jim Murry, Lee Rostad, Tom Siebel and Jim Utterback. Trustee Tom Foor attended the meeting via conference call. Also in attendance were MHS Acting Director Mark Baumler; MHS Administrative Officer Gena Ashmore; MHS Centralized Services Manager Jody Brandt; MHS Public Information Officer Tom Cook; MHS Fiscal Officer Beth Campbell; MHS State Archivist Jodie Foley; MHS Publications Program Manager Molly Holz; MHS Research Center Program Manager Molly Kruckenberg; MHS Curator of Art Kirby Lambert; MHS Director of Museum Services Susan Near; State Archaeologist and Acting State Historic Preservation Officer Stan Wilmoth; MHS Administrative Assistant Vanessa Verrill; Montana History Foundation Executive Director Amy Sullivan; State Budget Analyst Nancy Hall; and Friends of the Society President Marge Jacobson.

CALL TO ORDER

President Lee Rostad called the meeting to order at 1:05 p.m. Lee welcomed new Board members Jim Court, Kent Kleinkopf and Katherine Lee. Lee Rostad asked for all attendees to introduce themselves.

REVIEW OF MINUTES

Jim Murry moved to approve the minutes from the September 29, 2005 meeting, Bill Holt seconded, all voted in favor, and the motion passed.

Sharon Lincoln moved to approve the minutes from the November 2, 2005 meeting, Judy Cole seconded, all voted in favor, and the motion passed.

DIRECTOR'S QUARTERLY REPORT

Mark Baumler presented the Director's Quarterly Report. Mark explained various items in the Board packet and items of interest in the Quarterly Report.

In addition to what was listed in the Quarterly Report, Mark announced that the Montana History Conference will be held at the Sheraton Hotel in Billings September 28 – 30, 2006. He also pointed out that twenty new members joined the Society during the very successful MHS State Employee's Appreciation Days. Currently, five complete applications are on file for the Director's position. Opening of the new exhibit *Neither Empty Nor Unknown* will be on September 21, which is in conjunction with Native American Heritage Days. Interviews for the Information Technology position will be taking place within the next two weeks.

Mark gave an update on the Senate Art project. Tom Cook arranged a press conference with Senator Duane Grimes, Clint Blackwood and Betty Babcock to help promote selling the maquettes. Twenty maquettes and about 500 medallions have been sold to date, equating to about \$100,000 raised. There is enough money to make the mold, but more money (\$127,000) needs to be raised to complete the project, including the casting process in Kalispell and delivering the finished piece to the Capitol. Tom Siebel asked for clarification, and Gena Ashmore reported that this amount does not include installation in the Senate chamber. Hopefully the installation will take place in September. Mark encouraged the Board to help sell the maquettes and medallions by contacting their acquaintances who might be interested in acquiring a piece of Montana history-in-the-making by purchasing the smaller version of the Senate art. The Society can supply any information the Board may need to help them promote the maquettes and medallions.

FINANCIAL REVIEW

Jody Brandt presented the Financial Schedules for state FY 2006 through December 31, 2005. Jody clarified a point that was brought up during the September Board meeting regarding total budgeted expenditures and why total expenses varied on different pages of the Financial Statement. The Expendable Trust and Non-Expendable Trust Funds are not budgeted by the Legislature because the donors put restrictions on those funds, and the legislature cannot put any more restrictions on those funds. Total Expenses is the sum of Budgeted Expenses, Expendable Trust Funds and Non-Expendable Trust Funds. Jim Utterback wanted everyone to understand the restrictions put on Trust Funds. Some are very specific. Jody said that on the Expendable Trust Funds it is possible to spend both the interest and principle, whereas on Non-Expendable Trust Funds only the interest can be spent.

Jim Murry asked where the revenue from the History Foundation is reflected. Jody explained that those monies are under the MHS Private Funds, and they are recorded based on how they are restricted when they come in from the Foundation.

Jim Utterback stated that the Finance Committee accepted the Financial Schedules to present to the Board and he moved to accept the report, Steve Lozar seconded, all voted in favor, and the motion passed.

Lee Rostad had previously asked the Finance Committee to put together an analysis of entrance fees. Jim Utterback pointed out that, when entrance fees were first put into effect, a surplus was built up. Because of the reductions by the Legislature (about \$200,000 was cut during the 03-04 Legislature) money was taken from different areas to pay for salaries, etc. By 2007 we will have a \$54,000 deficit. The Society cannot continue to spend more than it brings in. Steve Lozar stated that all of the items on the report looked like legitimate expenses, and he thought it would be better to bring more money in as opposed to cutting money out. Jim Utterback responded that we need to think about what we can cut if additional revenue is not raised. Jim Court asked what visitation was prior to the institution of fees. Jim Utterback stated that looking at the past several years, visitation did not decrease in correlation to the institution of fees or the increase of those fees. Jim Utterback asked for clarification as to why 1999 visitation was so high. Susan Near answered that it was a legislative year and also because of the Capitol restoration.

Jim Murry reported that from a meeting earlier in the day there were discussions on how to raise money. Suggestions were brought up such as fundraising with the Montana History Foundation and the need to begin the legislative effort early. Jim believes a greater effort needs to be made to put together a legislative package that will build support from both parties. Jim Utterback said that they talked about the importance of the Trustees helping with the lobbying, since they are from all over the state. The budgeting process starts this month with Mark Baumler and Jody Brandt meeting with the Governor's Budget Director. Jim Murry asked if the information would come back through the Finance Committee. Mark Baumler said that he would like to engage the Finance Committee, if it is acceptable to the Board. Jim Murry stated that all of the information needed to be shared with the Board. Lee Rostad said that they had determined that the Finance Committee needed to be a more active committee throughout the year, especially right now. Tom Siebel stated that revenue should become more of a topic during Board meetings. In the past the Director was not held responsible for revenue reporting. Jim Utterback said that previously the Board did not know what monies were being spent, and it is important to know the financial situation. Jim Murry reiterated that the Director should be involved with the finances and revenue, and this information should be made available to the Board.

Kent Kleinkopf mentioned providing an opportunity to show the public statewide what is going on at the Society. Lee Rostad suggested that the Board try an outreach locally as well. Jim Court challenged each of the Trustees to recruit twenty new members for the Society, and he passed out new membership brochures to the Board. Jim continued with another idea for promoting the Historical Society by using "History Half-Notes" [Note: Radio recordings by MHS Interpretive Historian Ellen Baumler] or a variation thereof in local media to get some visibility. Sharon Lincoln said that we need to have a marketing strategy and that somebody needs to be available that knows about marketing. Steve Lozar stated that the Society needs exposure in the small towns (such as "This Day in History" in the local papers). Judy Cole said that Tom Cook was working on getting the "History Half-Notes" syndicated. Tom Cook responded that he will work with the new Director and the Montana Newspaper Association, and that the ideal situation would be to get a statewide sponsor. If anything is happening in the Trustees' local areas, with the Director's approval Tom will put together some publicity and work with the local media. Lee stated that if anyone wants to do a slideshow presentation in his or her local community, Shirley Groff and Tom last year had put together a presentation. Tom said that he could recreate that slide show if there is an interest. Lee asked Tom to do that.

OLD BUSINESS/UPDATES

Montana History Center

Mark met with the state architecture and engineering people, Tom O'Connell and Joe Triem, and Amy Sullivan of the Montana History Foundation. One meeting included Lee Rostad and Jim Murry. The due-diligence studies and appraisal should be available by mid-to-late February.

Amy Sullivan added that after the appraisal, the Society will have 30 days to decide whether or not to negotiate a price on the mall. She is working with the Governor's office and the Board of Trustees to figure out what form this will take. The Foundation has raised one million dollars

since July 1, 2005 for MHS and other agencies. The current contract the Foundation has with the Society is not working, and an agreement needs to be reached between both parties. She also said that her financials are open to all Board members. Tom Siebel asked, out of the million that was raised, how much was for the Society. Amy replied that it was \$500,000.

Kent Kleinkopf asked if the Trustees position is that the mall is the only site it will consider for the new History Center. Lee Rostad replied that nothing else is being considered until they know the status of this site. Jim Murry stated that it just made sense to be neutral when it comes to site negotiation. Sharon Lincoln said that it should go in the minutes that we may have to go to Plan B. Jim Utterback said that he thought it had been discussed that, if the price is right for the mall, we would be interested. Kent asked if the Board's long-range goal is to find land regardless of whether the mall works out as our new building. Jim Utterback agreed that there is definitely a need for a new building. Lee expressed her concern that the Society must find a new home in order to continue to grow. Kent responded that we must project that concern in a positive way. He wanted to join the Board for the purpose of assisting in the development of the new Society complex, and he wanted to make sure that there is backing from the Board. Lee said that the Board is committed to this project. Jim Murry stated again that we are moving ahead with the History Center but we are site neutral. Tom Cook agreed that the Society's position has been that we are looking at the mall, but we are also still looking at other areas to make sure the History Center is built.

Jim Murry agreed with Amy Sullivan's suggestion of revisiting the relationship between the Foundation and the Society. Mark Baumler said that the agreement between MHF and MHS is terribly dated, and he asked that the MHS Director also be involved in this discussion. Jim Court suggested that a percentage raised should be set aside into a permanent endowment. Lee said that this has already been considered. Tom Siebel was curious as to whether having MHF raise money for other entities as well as MHS was the optimal relationship. Amy Sullivan responded that it was the MHS Board that requested MHF to serve "multiple masters." Jim Murry said that this should be one of the issues that is discussed. **Jim Murry made a motion to revisit the relationship between MHF and MHS through the Executive Committee with a full report to the Board, Tom Siebel seconded, all voted in favor, and the motion passed.**

History Textbook

The Montana History Foundation has some funds earmarked for the History Textbook project, and Amy Sullivan has written a grant to supplement. Judy Cole asked about the Dangberg Foundation text for the Montana history teachers that was listed in the Quarterly Report. Mark said that it was another textbook that was given free to MHS when that Foundation closed and MHS is making it available by loan to schools to use during the interim until the MHS textbook comes out.

Insurance Reimbursement Funds

Mark Baumler stated that the insurance money for the Dutch Henry gun is earmarked in a way so that it would not be subject to loss or takeaway by any legislative budgeting process. The Bureau of Land Management has approached the Society and the Phillips County Museum regarding a reward leading to the recovery of the gun. Mark said he approved \$3,000 towards the reward as needed and contingent upon the recovery of the gun. Susan Near thought that the BLM and Phillips County were also contributing to the reward as well, and it may be up to \$20,000.

C.M. Russell Museum Glacier Park Grizzly Issue

Mark reported that there has been no communication between the C. M. Russell Museum and the Board or the Director.

NEW BUSINESS

Archives and Library Deaccessions

Molly Kruckenberg presented the Library and Archives Deaccession List. The Library had three requests. The first request was the quarterly deaccession of 100 titles, and the second was that a collection (San Francisco Consolidated Mining Company letterpress book) be formally deaccessioned from MHS Archives and transferred to the K. Ross Toole Archives at the University of Montana. Molly also requested Board approval to look into the possible future deaccession of the Library's non-Montana genealogy book collection to an appropriate new public repository. **Steve Lozar moved to approve all three deaccessions, Jim Court seconded, all voted in favor, and the motion passed.**

Loan Extension Request - Mai Wah Society

Steve Lozar moved to approve the staff recommendation of the loan extension to the Mai Wah Society in Butte, Shirley Groff seconded, all voted in favor, and the motion passed.

State Archivist Approval

With the promotion of Molly Kruckenberg, former MHS State Archivist, to the position of research center Director, Mark Baumler proposed that Jodie Foley be appointed with approval of the Board, pursuant to MCA 22-3-202, as the State Archivist in the interim period while a new person is being hired. **Mark Baumler moved to approve this appointment, Kent Kleinkopf seconded, all voted in favor, and the motion passed.**

Charles M. Russell Art Book

Working from a proposal, budget and schedule, Susan Near explained the preliminary costs, goals, and objectives of printing a catalog based on the Museum's Russell collection. This catalog will be a holistic and inclusive work. The budget includes the cost for marketing, not

considered in previous discussions of this effort. Total project cost is estimated to be \$246,450 (not including \$85,804 of staff in-kind match). Production will be a three-year process. Molly Holz stated that this catalog would be an asset to the Society and that this is something that the Montana Historical Society Press would love to do. She believes it is a very “do-able” project, but currently there is no cash to do the project. Grants, NEA, and NEH could be possible sources of funding for the project. Kirby Lambert, MHS Curator of Art, would be the author. Kirby would need to work on the project full-time for a year, and a replacement curator would need to be hired.

Jim Court asked how this project would compare in scope (size and cost) to the Amon Carter catalog and how many Russell pieces the Society has. Kirby responded that the museum has 224 pieces, the book would be about 260 pages, and the cost of the Amon Carter book was not known. Jim Court asked about the print run and sales, and Molly responded that if this is a project that the Board is interested in raising money for, she will talk to other publishers of similar books to find out the print run and price. Kent Kleinkopf asked what information the Society has regarding other major Russell collections in the U.S. and what has been done on them. Kirby responded that he is unaware of any coffee-table type book that contains only Russell art from one museum’s collection as ours would be. We are looking to do a visually-pleasing, high-quality book. Jim Utterback requested that research be done on runs, retail price and money made from other organizations with similar books in print, and Molly Holz agreed to do the research. Lee Rostad stated that this is a project that we would really like to do but wanted to know how much could be anticipated from grant money. Susan Near said that there is always a match that is usually one to one; strategies of fundraising have not yet been discussed. Sharon Lincoln stated that if we had the book, it would be another way to get our name out there and that she would like to see the Society continue to look into the facts and figures. Lee agreed that we should proceed with the basic work of looking into the numbers.

Executive Planning Process/Ideas

Mark Baumler re-introduced Nancy Hall from the Governor’s Office of Budget and Program Planning. On February 1, Jody and Mark will meet with Nancy and Budget Director David Ewer to talk about priority items in the MHS budget and legislative issues for the FY2008-2009 biennium (2007 Legislature). This is an important meeting to hear what the Governor’s Office goals, objectives and priorities are and how our needs fit into that. Our budget requests are made through the Executive Planning process (EPP) as Present Law Adjustments or New Proposals. On March 15, an Information Technology plan will also need to be submitted which must form the basis of our technology requests. In May, all of our final EPP proposals for changing the budget will need to be submitted. Mark hopes to engage the Finance Committee between February and May. The final full MHS budget package is turned in August, and then in November what the Governor accepts will go to the Legislative Fiscal Division. Jim Court asked if the Budget Director had been on a behind-the-scenes tour. Mark Baumler asked Nancy if this is something that her office would be interested in, and she said yes.

COMMITTEE REPORTS AND PRESIDENT'S UPDATES

Lee Rostad stated that she has been hearing that the committee meetings with the staff are a good idea. Lee requested that the Trustees tell her what committees they would like to serve on, and she also said that she would like to add a Board Marketing Committee to coincide with the staff's Marketing Committee.

Sharon Lincoln said that the Awards Committee will broaden its search for award recipients--possibly sending information out to MEA, MFTA, County Superintendents, etc. for the Educators Award and to other preservation boards and museum and heritage groups for the Trustees Award. Shirley Groff added that it will set some firm dates. Lee requested that they write up their suggestions for the policy section. Bill Holt said that the Policy Handbook Committee tabled its discussion until it gathers more information. Steve Lozar gave an update on the Library Committee. As highlighted in the Quarterly Report, huge amounts of information are coming from the State Government, but due to a shortage of staff, it will take some time to sort out. Jim Court reported from the Preservation Committee and brought up the fact that this is the only preservation office that does not charge fees for research, which could generate a great amount of revenue and that the Preservation Program was doing a study regarding charging fees. He stated the dire need for a new building as SHPO is housed in a sub-standard environment. Judy Cole suggested that any comments from the staff for the Board could be typed up and given to them as someone had done the day before. Lee reported from the Director Search Committee that some applications for the Director position have been received and that members of the Board will meet on February 15 to go over those applications.

Policy Handbook Committee Update

Jim Murry asked about the bylaw changes. Lee Rostad opened up discussion on sections 200.5, 200.6 and 200.7. Jim Utterback wanted clarification on (second) section 200.5.B. **Tom Siebel moved that “with a complete set of financial statements that accurately reports revenue, expenses, account balances, cash flows and salaries;” replace “with a complete financial picture of the expenditures, credits and salaries” in 200.5B, Jim Murry seconded, all voted in favor, and the motion passed.**

Jim Murry brought up discussion on the word “annually” in sections 200.5.C and 200.5.B. In section 200.5.B “annually” should be replaced with “fiscal year.” Tom Foor clarified that “annually” in 200.5.C reflects any time that is appropriate for the Board to make an evaluation of the Director. Various other grammatical errors were corrected. Mark Baumler offered that the director's Office could make these various changes. **Jim Utterback moved to accept the changes, Jim Murry seconded, all voted in favor, and the motion passed.**

PUBLIC COMMENT

There was no public comment.

STAFF COMMENT

Several additional staff members attended during this portion of the meeting. They were as follows: Clint Attebery, Jennifer Bottomly-O'looney, Glenda Bradshaw, Ramona Jacobson, Melisa Kaiser-Synness, Martha Kohl, Deb Mitchell, Lory Morrow, George Oberst, Julie Saylor, Brian Shovers, Delight Sullivan, Josef Warhank and Linda Wruck.

Amy Sullivan gave each Board Member a list of the Montana History Foundation Board of Directors and their contact information.

Delight Sullivan thanked the Board for the reception the previous evening and then read a letter from Marcella Sherfy who was not able to attend. She invited the Board to the volunteer recognition luncheon on April 19.

Julie Saylor requested an update on the Director's search. Mark Baumler and Lee Rostad responded by saying five complete applications have been received and there have been several other inquiries. Jim Utterback said that he thought it was safe to say that the Board would include staff when the candidates are narrowed to two or three. Jim Murry agreed that that was the tone during the Executive Committee meeting -- the Board would make every attempt to include the staff.

Lory Morrow brought up the fact that in past Director searches, Director candidates have spent time in the Society so staff could meet the candidate. Steve Lozar agreed that this was very healthy for the staff to have an exchange with the potential candidates and to be involved with the process. Jim Murry stated that it is important for Mark Baumler to be involved in the interview process and Mark said he would be happy to help.

Martha Kohl, President of the Montana Federation of Historical Society Workers, thanked the Board on behalf of the Union for the efforts the Board has been making to increase communication with and input from the staff.

Marge Jacobson gave an update on the accomplishments of the volunteers and, per Kent Kleinkopf's request, listed places they have gone on their annual field trips in May.

ADJOURNMENT

The meeting adjourned at 4:00 p.m.